

**MINUTES
of the
SECOND MEETING
of the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE
August 11, 2003
Santa Fe**

The second meeting of the Tobacco Settlement Revenue Oversight Committee was called to order by Representative Gail C. Beam, co-chair, at 10:20 a.m. on Monday, August 11, 2003, in Room 317 of the State Capitol.

PRESENT

Rep. Gail C. Beam, Co-Chair
Sen. Richard C. Martinez
Rep. J. Paul Taylor

Advisory Members

Sen. Joseph J. Carraro
Sen. Dede Feldman

ABSENT

Sen. Mary Jane M. Garcia, Co-Chair
Sen. Ramsay L. Gorham
Rep. Gloria C. Vaughn

Sen. Manny M. Aragon
Sen. Steve Komadina
Sen. Linda M. Lopez

Staff

Maha Khoury
Cenissa Martinez

Guests

The guest list is in the meeting file.

Department of Health, Tobacco Use Prevention and Control (TUPAC)

David Vigil, Chronic Disease Prevention and Control Bureau chief, and Larry Elmore, TUPAC program manager, went over the funding history of the program and spoke about the goals of the program. The first goal is to prevent smoking among youth. Mr. Elmore went over youth tobacco data and discussed how the program works. The second goal is to promote quitting strategies by advertising, billboards, education and the quitline. Mr. Elmore emphasized that calls to the quitline increase as the anti-smoking media increases. The third goal is eliminating exposure to second-hand smoke. A discussion ensued on the status of clean indoor air ordinances in several cities. Mr. Elmore informed the committee that the tobacco industry spends \$61.8 million annually on advertising in New Mexico and spoke of media campaigns against smoking by TUPAC and others. TUPAC receives some federal funding for media support and Centers for Disease Control and Prevention (CDC) funding for staff, buildings and implementing the programs.

Committee members stated that TUPAC and its contractors are doing a very good job, but in order to ensure that these programs continue, the committee needs hard data to provide to the

legislature. Representative Beam requested that Mr. Vigil and Mr. Elmore distill the data presented to the committee in order to show in a clear and concise manner the increase in the number of people quitting, the decline in youth smoking and other results. The presenters informed the committee that youth tobacco surveys are conducted every two years and that the next one will be conducted next year. The minimum CDC recommended funding for tobacco prevention and cessation is \$14.2 million for New Mexico, but that has not yet occurred. A discussion took place on chronic disease prevention efforts in the border area and Native American tobacco prevention and cessation efforts.

Department of Health, Diabetes Prevention and Control Program

Ms. Mary A. Frerichs, program manager, went over some data and statistics regarding diabetes. One in 11 adults has diabetes; one in seven adults is obese; one in three Americans born in 2000 will develop diabetes; Native Americans and Hispanics are more at risk, with Hispanic women at the highest risk; and the number of overweight and obese persons is growing. The program has three major projects. The first is public education, to which a focus group approach and targeted campaigns have been added. The second is rural clinic support and development, which includes educator training, glucose meters, test strips and other support. Ms. Frerichs stated that it would require \$1.5 million annually to fund meters and strips for indigent patients. The Indian Health Service covers meters and strips for the Native American population. The third project is elementary schools. Physical education is needed in schools. The program receives around \$450,000 from the CDC, \$430,000 from the general fund and \$1 million from the tobacco settlement fund. Ms. Frerichs directed the committee to a report in the handout and a discussion ensued on the great need for diabetes prevention, control and treatment and the lack of resources. Representative Beam reminded the committee that it recommended that \$2 million be appropriated to diabetes programs during the last session.

Department of Health, HIV/AIDS Program

Donald Torres, acting chief for the Infectious Disease Bureau, went over data on HIV/AIDS. Nationally, there are approximately 40,000 new cases of HIV infection per year, and the number is rising. Fifty percent of new cases are people under 25 years old. In New Mexico, there are over 3,000 known cases. This program serves 60 percent of known persons living with HIV/AIDS in the state, a good percentage compared to many states. The program receives CDC and general fund dollars as well as tobacco settlement money and leverages federal funds. It is ready to implement new CDC prevention initiatives. A discussion ensued on HIV education in schools and reducing the stigma to help in treatment and prevention.

Committee Business

The committee approved the minutes of its first meeting and recessed for lunch from 12:30 p.m. to 1:35 p.m.

Attorney General, Master Settlement Agreement Overview

Glenn Smith, deputy attorney general, went over the glossary of terms used in the master settlement agreement between most states and tobacco manufacturers. He discussed the model

statute and the escrow fund in relation to non-participating manufacturers. He explained the allocable share bill that failed last session that the attorney general wants to pass this coming session and the reasons why it is important to close this loophole. A discussion took place on various aspects of the master settlement agreement, which lawsuits are barred, the Illinois case against Phillip Morris and the securitization of settlement funds. Phillip Morris is responsible for a little over 50 percent of the settlement payments.

Representative Beam informed the committee that it is unnecessary to have another meeting with the Indian tribes about the cigarette tax issue and that Senator Garcia supports this move. Maha Khoury was invited to speak to the committee about the Indian tax issue and the presentation of this issue to the Selective Excise Tax Committee of the Blue Ribbon Tax Reform Commission. She will provide the committee with any handouts given by tribal representatives at that meeting.

University of New Mexico (UNM), Health Sciences Center

Dr. R. Phillip Eaton explained the various programs funded partially or totally through tobacco settlement funds, the federal grants given to these programs and the increased funding that UNM will be seeking for some programs. A discussion ensued on federal grants, Medicaid funding and the possibility of providing the same quality of health care throughout the state via the Telehealth program. Dr. Cheryl Wilman explained various scientific research projects, innovations and the tremendous leverage of funds in genomics research. She spoke about research in drug-inhalation, such as in chemotherapy and other cancer therapies, which renders the drugs safer and more effective, and about a possible cure for cervical cancer. New Mexico can be the leading state in eradicating cervical cancer through its unique research and cancer program and due to its diversity as different ethnic groups get different kinds of cancer. Dr. Eaton stated that the funds from the tobacco settlement have been helpful in stabilizing and developing these research programs. There has been a decrease in federal funding to the National Institute of Health, which has helped to fund some of these programs. UNM collaborates with the Department of Health on developing literature for smoking cessation and helps to evaluate some programs. A discussion ensued on health care delivery in southern New Mexico and the instability of Memorial Medical Center in Las Cruces. UNM has been collaborating with New Mexico State University to help solve the problems facing Memorial Medical Center.

Lovelace Respiratory Research Institute (LRRI)

Dr. Robert Rubin, president and CEO of LRRI, and Dr. Yohannes Tesfaigzi, scientific director of LRRI, spoke about the use of tobacco settlement funds by the institute. The only mission of LRRI is to prevent and cure respiratory disease. LRRI leverages federal and private money for its research. There is an emphysema research program and a continuing lung cancer study of women. Dr. Tesfaigzi may have found a gene that makes a person more susceptible to emphysema and chronic bronchitis. A patent has been filed. The institute also discovered two new tests for predicting lung cancer and emphysema. One is a genetic test. The lung tissue regeneration approach did not work and research on it was dropped. However, it led to the

discovery that certain kinds of animals are more susceptible to lung disease than others. In Australia, all children are tested at birth for a certain type of emphysema. This has impacted tobacco use in Australia. According to the last census, 100 million Americans are present or past users of tobacco.

A discussion took place on various genes and gene markers in relation to lung disease, lung cancer research, leveraging state funding, and economic development and new jobs. LRRI requested continued funding of \$1 million from the tobacco settlement fund for its research.

Adjournment

The committee adjourned at 4:10 p.m.